

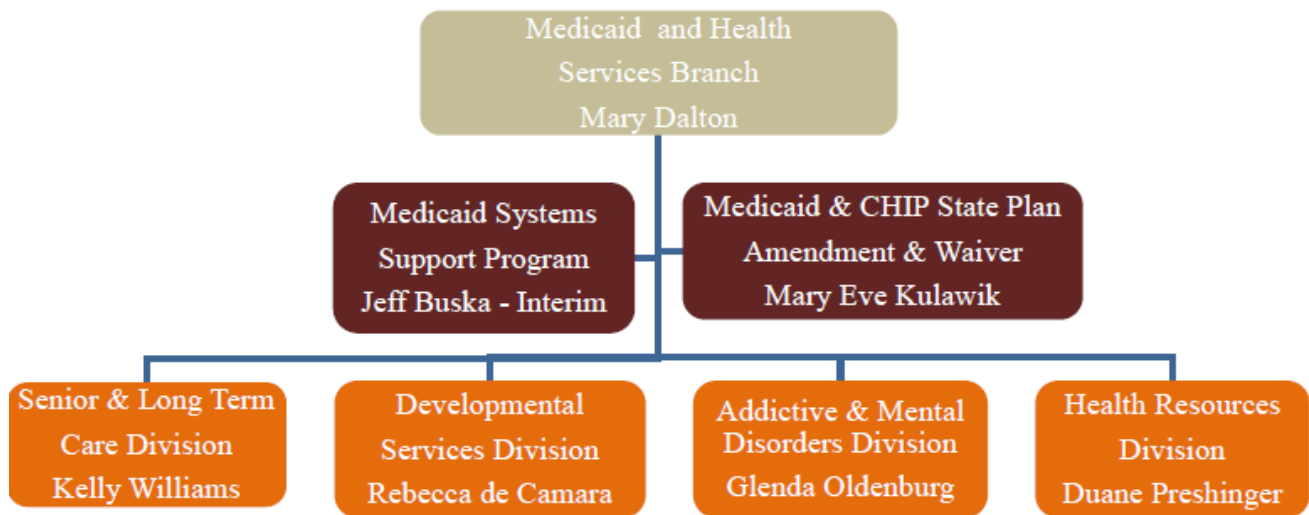


## Presentation to the 2015 Health and Human Services Joint Appropriation Subcommittee

### **MEDICAID AND HEALTH SERVICES MANAGEMENT**

Department of Public Health and Human Services  
Legislative Fiscal Division Budget Analysis, Volume B, Page 100-102

#### **Organizational Chart**



#### **CONTACT INFORMATION**

Title	Name	Phone Number	E-mail address
Branch Manager	Mary Dalton	444-4084	<a href="mailto:mdalton@mt.gov">mdalton@mt.gov</a>
Medicaid Systems Support Program Director	Jeff Buska	442-6985	<a href="mailto:jbuska@mt.gov">jbuska@mt.gov</a>
Financial Officer	Beckie Beckert-Graham	444-3681	<a href="mailto:rbeckertgraham@mt.gov">rbeckertgraham@mt.gov</a>

## OVERVIEW AND SUMMARY OF MAJOR FUNCTIONS

The **Medicaid and Health Services Branch** serves as the umbrella for programs that provide health coverage, mental health and chemical dependency services, and specialized developmental disability services. By combining Medicaid and other health care services under one branch, the Department is able to coordinate and optimize the efficient delivery of services.

The branch is comprised of four divisions and one program: Senior and Long Term Care Division, Developmental Services Division, Addictive and Mental Disorders Division, Health Resources Division, and the Medicaid Systems Support Program.

The contributions of each Division are outlined in their individual presentations. The Divisions share these common goals:

- Improve health outcomes by emphasizing care at the right level and intensity, improving access to services for underserved and vulnerable populations, promoting appropriate utilization of preventive and other necessary services, and reducing the number of uninsured people.
- Provide community-based services as an alternative to institutional care.
- Ensure cost effectiveness in the delivery of health care services by using efficient management practices and maximizing revenue opportunities.
- Assure the integrity and accountability of services DPHHS delivers.
- Implement measures that will constrain the growth in program expenditures while improving services.

The Divisions within the Branch strive to treat people at the least costly and/or least intrusive level. For long term services this means rehabilitation and/or care in the home and community is emphasized over institutionalization. For more acute needs, care by a community provider rather than in a hospital or residential setting is preferred. We do, however, recognize and support the importance of all aspects of a continuum of care. Our six state facilities and private partners such as hospitals and nursing facilities provide the avenue to treat the relatively small number of people who need the most intensive level of care.

The Medicaid and Health Services Branch Manager is attached to program 12 for budget purposes. The Branch Manager oversees and coordinates programs and activities of the Branch and, as the State Medicaid and CHIP Director, establishes policy for the Montana Medicaid and CHIP program. The majority of services in the Branch are funded through Medicaid.

The Branch budget also contains contract funds for the Medicaid Systems Support program and grant funds that are passed through to Medicaid providers for meaningful use of electronic health records.

The Medicaid Systems Support program oversees the existing Medicaid Information System (MMIS) contractor responsible for processing and paying Medicaid, Mental Health Services Program, and eyeglass and dental claims for Healthy Montana Kids. MMIS processes over 8 million medical claims from providers per year. The MMIS is primarily funded with federal funds: Medicaid operations receive 75% and system design and development receive 90% federal funding.

The Medicaid Systems Support staff provides expertise and leadership in the development and design of a new MMIS. Our current MMIS is over thirty years old and will be replaced by May 30, 2017. A new MMIS will provide the Department with increased capability and flexibility to better manage our health care programs. Staff from throughout the Department are involved, along with our contractor, in this development and design process.

Montana Medicaid offers incentive payments to eligible professional and hospital providers for meaningful use of Electronic Health Records (EHR). Implementation of EHR by providers contributes to better quality of healthcare for Montanans by improving access to patient information, e-prescribing capabilities, and enhancing data sharing among providers. The payments for EHR are from a grant that was part of the American Recovery and Reinvestment Act of 2009 (ARRA). This grant consists of 100% federal funding. Fifty-five providers participated in the program in 2014. Expenditures were \$9,859,359.

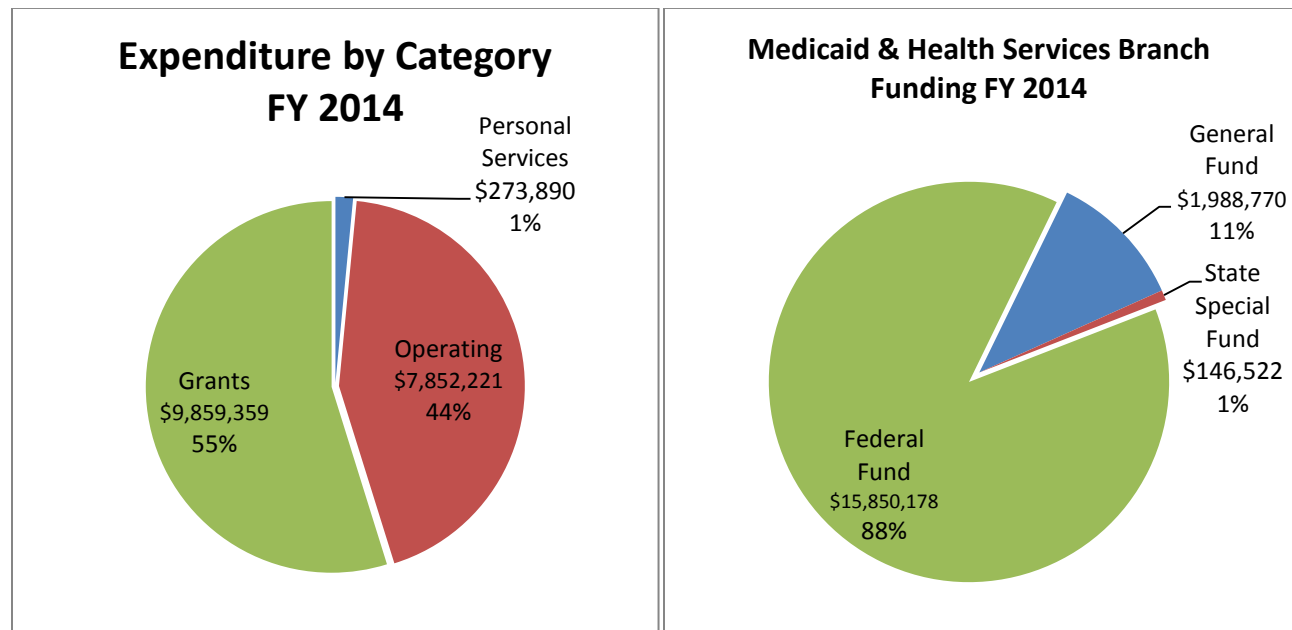
## 2017 BIENNIUM GOALS AND OBJECTIVES

Department of Public Health and Human Services Medicaid and Health Services Management	
Goals and Objectives for the 2017 Biennium Submitted October 2014	
Goal: Assure necessary healthcare is available to all eligible Montanans.	
Objective	Measures
Maintain systems to accurately pay healthcare services.  Finance healthcare for low income Montanans in accordance with state and federal directives.  Reimburse Medicaid, Mental Health Services Plan and Healthy Montana Kids within the required state and federal timelines.	<ul style="list-style-type: none"><li>• Modifications are implemented that maintain access and prevent adverse findings from program reviews.</li><li>• The Fiscal Agent contract is monitored to ensure compliance with prompt payment requirements.</li></ul>

## FUNDING AND FTE INFORMATION

Funding & FTE Information						
		<b>2014 Actual Expenditures</b>	<b>FY 2016 Request</b>	<b>FY 2017 Request</b>		
<b>Medicaid &amp; Health Services</b>						
	FTE	5.00	5.00	5.00		
	Personal Services	\$273,890	\$517,896	\$518,265		
	Operating	\$7,852,221	\$7,999,981	\$8,458,958		
	Equipment	\$0	\$0	\$0		
	Grants	\$9,859,359	\$9,859,359	\$9,859,359		
	Benefits & Claims	\$0	\$0	\$0		
	Debt Services	\$0	\$0	\$0		
	<b>Total Request</b>	<b>\$17,985,470</b>	<b>\$18,377,236</b>	<b>\$18,836,582</b>		
	General Fund	\$1,988,770	\$2,097,044	\$2,339,117		
	State Special Fund	\$146,522	\$150,944	\$150,951		
	Federal Fund	\$15,850,178	\$16,129,248	\$16,346,514		
	<b>Total Request</b>	<b>\$17,985,470</b>	<b>\$18,377,236</b>	<b>\$18,836,582</b>		

### THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR FY 2014 FOR MEDICAID & HEALTH SERVICES BRANCH



## DECISION PACKAGES (SEE LFD BUDGET ANALYSIS, PAGES 100 TO 102)

### **PL 1212002 Med Admin MMIS Contract**

- This present law adjustment requests \$751,960 total funds over the biennium in order to maintain existing services for the administration of contracts in the Medicaid and Health Services branch. These services are funded at a blended rate of 35% general fund and 65% federal fund match. The biennial general fund request is \$338,479.
- LFD reference is page B-102, correlates to change package 99.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>State Special</b>	<b>Federal</b>	<b>Total Request</b>
FY 2016	\$ 48,251	\$0	\$ 98,252	\$146,503
FY 2017	\$290,228	\$0	\$315,229	\$605,457
Biennium Total	\$338,479	\$0	\$413,481	\$751,960

### **SWPL – 1 Personal Services**

- The budget includes \$244,006 in FY 2016 and \$244,375 in FY 2017 to annualize various personal services costs including HB 13 pay plan adjustments and increases to state share costs for health insurance passed by the 2013 Legislature, benefit rate adjustments, longevity and adjustments related to incumbents in each position at the time of the snapshot, and restoring vacancy savings reductions assessed in the 2015 biennium. In addition, the request includes the impacts of two vacant positions remaining open for an extended period of time.
- LFD reference is on page B101, correlates to change package 98.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>State Special</b>	<b>Federal</b>	<b>Total Request</b>
FY 2016	\$ 27,425	\$2,025	\$214,555	\$244,006
FY 2017	\$ 27,468	\$2,028	\$214,879	\$244,375
Biennium Total	\$ 54,894	\$4,053	\$429,434	\$488,381

### **SWPL – 2 Fixed Costs**

- This request includes \$1,286 in FY 2016 and \$1,305 in FY 2017 to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs are liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates for these services are approved in a separate portion of the budget.
- LFD reference is page B-102, correlates to change package 99.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>State Special</b>	<b>Federal</b>	<b>Total Request</b>
FY 2016	\$145	\$11	\$1,130	\$1,286
FY 2017	\$146	\$11	\$1,148	\$1,305
Biennium Total	\$291	\$22	\$2,278	\$2,591

### **SWPL – 3 Inflation Deflation**

- This change package includes a reduction of (\$29) in FY 2016 and (\$25) in FY 2017 to reflect the budgetary changes generated from the application of inflation and deflation to certain specific expenditure accounts. Affected accounts include food, library books, electricity, gasoline, and others..
- LFD reference is page B-102, correlates to change package 99.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>State Special</b>	<b>Federal</b>	<b>Total Request</b>
FY 2016	(\$3)	\$0	(\$26)	(\$29)
FY 2017	(\$3)	\$0	(\$22)	(\$25)
Biennium Total	(\$6)	\$0	(\$48)	(\$54)

## **LEGISLATION**

This division does not have any pending or requested legislation.